MAN IN THE ARCTIC PROGRAM
Working Paper

Modern Eskimo Administration

Regional Corporation and Borough Government on the North Slope

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MODERN ESKIMO ADMINISTRATION: REGIONAL CORPORATION AND BOROUGH GOVERNMENT ON THE NORTH SLOPE

INTRODUCTION

This paper draws a comparison between the behavior of two new regional organizations on the Alaska North Slope—the borough and Arctic Slope Regional Corporations, both controlled by and responsible to Arctic Inupiat (Eskimos).[1] The topic is important for at least three reasons. The region is the site of the richest oil and gas province of the United States, over which the borough exercises powers of taxation and land use planning; ASRC is one of the region's largest land owners, surpassed by only the federal government in amount of land controlled (4.5 million acres). What the two organizations do, how they set their goals and implement policies, affect development of a vital national resource.

Second, both organizations present institutional contexts which are new to Native Americans. The way in which Natives assimilate these organizational forms or make changes in them will likely be important to Native communities elsewhere as they respond to changes in American Indian law.

Third, this study, focusing on a comparison of public and private corporations in a Native context, is connected to the broader literature of comparative administration. The dimensions of public administration employed here are rudimentary but perhaps appropriate in what is a preliminary report on a longer study. They include such matters as goal setting in organizations, impact of attitudes upon organizational behavior, and influence of policy areas upon institutional conflict and choice.

The paper begins with a brief analysis of the formation of "modern" Native organizations[2] on the North Slope. Thereupon, an organizational profile is drawn, and a brief analysis is conducted of conflicts and cooperation between the institutions, especially insofar as these bear on the institutionalization of Native structures and Native self-determination.

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[1]My research on North Slope institutions began under the auspices of the Institute of Social and Economic Research, University of Alaska. I am particularly grateful for the opportunity I have had to work with researchers engaged in the Institute's Man in the Arctic Project—Professors Thomas A. Morehouse, Lee Gorsuch, Judith Kleinfeld, and Jack Kruse—who have contributed to my understanding of this region and influenced by ideas.

Dr. Morehouse and I have prepared a study, "Alaska Native Self-Government," from which I have drawn in writing the background section of the paper. However, the presentation of ideas in this paper, the omissions and likely errors of analysis, are matters for which I alone am responsible.

[2]The term is used here to mean recent or contemporary institutions.

DEVELOPMENT OF NATIVE REGIONAL ORGANIZATIONS ON THE NORTH SLOPE

Prior to the mid-1960s, Natives on the North Slope were organized administratively into villages, the largest of which, Barrow, was incorporated in 1940 under the Indian Reorganization Act of 1936 (IRA)[3] and was a fourth-class city under Alaska statutes. Three smaller villages—Wainwright, Pt. Hope, and Anaktuvuk Pass—lacked IRA status, but they were fourth-class cities.[4] Only Kaktovik had a traditional government, meaning it was not incorporated under state or federal law, and this factor distinguished the North Slope from most other areas of the state where traditional governments were more prevalent. In fact, the relatively high degree of administrative organization of North Slope villages (compared to other villages of comparable size elsewhere in the state) was a subject for comment at the time Native leaders sought borough incorporation. The *Tundra Times* noted in an editorial in 1968, "the Barrow city council is known as one of the most effective local governments in Northern Alaska,"[5] and the chairman of the Local Boundary Commission remarked in 1972, "isn't it almost unprecedented . . . to have all of them be fourth class cities . . . to have that much government."[6]

However, for administrative purposes in the territory and the new state, the North Slope was not considered to form one region. The region's population was divided into two separate census districts. Federal and state programs were administered through Fairbanks for some of the region's villages and through Kotzebue or Nome for other villages.[7] There was no North Slope regional organization (i.e., an administrative or political structure representing all Natives within the Arctic Slope) until the formation of the Arctic Slope Native Association from which all three modern regional organizations on the North Slope have developed.

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[3]Incorporation as an IRA village made the community identical in law to a federally protected Indian tribe. The vilage could then obtain benefits available only to organized Indian communities, and it could borrow money, whether or not chartered as a city under Alaska statutes.

[4]Fourth-class cities were empowered to organize councils which could pass ordinances regulating social behavior and levy sales taxes. However, power to tax property, provide public education, and regulate land use were available only to first- and second-class cities (and, of course, boroughs). See, U.S. Department of the Interior, Bureau of Indian Affairs, "Native Villages in Alaska," (mimeo), August 30, 1967, for a list of forms of village government; and VanStone, *Point Hope: An Eskimo Village in Transition* (Seattle: University of Washington Press, 1962) for a discussion of village council activities.

[5]*Tundra Times*, October 25, 1968.

[6]Transcript of meeting of the Local Boundary Commission Regarding North Slope Borough incorporation, February 23, 1972, p. 210.

[7]See Robert D. Arnold, "A Survey of the Administrative Situation in Alaska as it Affects Eskimos, Indians and Aleuts," prepared for the International Conference on Cross-Cultural Education in the North, Montreal, Quebec, Canada, 1969.

Arctic Slope Native Association (ASNA)

ASNA was formed in early January, 1966. Its formal objective was to enter claims for land historically used by Arctic Eskimos; its motivating purpose was to unify politically all Natives in the area north of the Brooks Range.

At its first meeting, the ASNA claimed for Arctic Eskimos all lands north of the Brooks Range (58 million acres), retaining a lawyer to press this claim with the Interior Department. From this basis, the ASNA developed a campaign which did not lose momentum until the resolution of Native land claims in 1971; its campaign was aided by the fact that the land claimed was the site of major oil exploration and, in 1968, of the twin oil/gas discovery well at Prudhoe Bay. ASNA claims were regarded seriously; they restricted the State of Alaska from leasing additional North Slope lands,[8] and they played an important part in the freeze of Alaska lands by Secretary of the Interior Udall.

In the statewide land claims movement, the ASNA objected to all land claim bills which provided for cash settlements only. It demanded land. And it objected to managements systems which would administer claim funds either through a statewide Native corporation or a federal agency such as the BIA. Alone among the regional Native associations, the ASNA adopted militant tactics (for example, a demonstration outside the Anchorage auditorium at which oil leases were sold in September, 1969).[9] It was atypical in the extremity of its defense of the idea that had come to motivate all Native associations— the demand for clear title to the greatest amount of land that Congress would award, just compensation for lands lost, and congressional recognition of the self-governing capability of Natives.

On several occasions, the aggressive leaders of ASNA bolted from the Alaska Federation of Natives (AFN). (The AFN was formed in 1967 in order to integrate all Native groups in the state pursuing settlement of aboriginal land claims.) ASNA announced its "withdrawal" in October, 1970, because the AFN had "over-compromised and under-sold" the Arctic Slope in land claims negotiations.[10] And the ASNA said "no" when a symbolic vote was taken of Native associations prior to President Nixon's signing of the Alaska Native Claims Settlement Act of 1971 (ANCSA).[11]

ASNA aspired for mass mobilization of North Slope Natives; and the six-year land claims movement did result in some increase in Native political involvement, for it was a campaign for a tangible object (land) against visible villains (the state

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[8] *Tundra Times*, October 20, 1966; and see Mary Clay Berry, *The Alaska Pipeline: The Politics of Oil and Native Land Claims* (Bloomington, Indiana: University of Indiana Press, 1975).

[9] *Anchorage Daily News*, September 11, 1969.

[10] *Anchorage Daily News*, October 21, 1970.

[11] *Anchorage Daily News*, December 19, 1971.

government and oil companies) and led by real heroes (Eskimo land claims leaders who played both regional and statewide roles). The "theory" of organizational structure of the ASNA which developed implied a very close relationship between the leaders and the led; in fact, ASNA remained a federation with villages electing directors to the board, and leader-follower relationships were indirect for the most part. Too, the continuity in office of major leaders suggests that mobilization was fully successful only on the issue of land and its identification with Eskimo culture.[12]

Arctic Slope Regional Corporation (ASRC)

The first North Slope Native organization formed from ASNA was the Arctic Slope Regional Corporation, the organization most directly influenced by the provisions of ANCSA.[13] ANCSA established twelve regional Native corporations, following the boundary lines of the land claims associations, and one corporation for Alaska Natives residing outside the state. In addition, village corporations were formed in Native villages which, with the advice of each area's regional corporation, were to make land selections and plan for the use of money received under ANCSA. Direct cash compensation for Native claims extinguished by ANCSA totalled $962.5 million: $462.5 million coming directly from congressional appropriations, paid in installments extending to 1982; and $500 million received as 2 percent of the mineral revenues from state and federal lands.

Regional corporations were to determine the amount of cash distributed to individual Natives and to village corporations, following the condition that about half of the money received must be distributed to individuals and village corporations. Regional corporations also earn income from investments and from development of resources on Native lands. Special limits are that shares in the corporation cannot be alienated until 20 years from the signing of ANCSA; second, money received by individuals and village corporations cannot be taxed for twenty years.

Alaska Natives received title to more land than was held in trust for all Native Americans. Village corporations gained title to twenty-two million acres (limited, however, to the surface estate of the lands selected). Sixteen million acres were available for selection by regional corporations on the basis of the land their regions contained. The subsurface estate of all Native selected lands belongs to the regional corporations.

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[12]See Hugh Gallagher, *Etok: A Story of Eskimo Power* (New York: G.P. Putman's Sons, 1974) for a powerful statement of the role of land in Native mobilization.

[13]The summary of ANCSA provisions is based on Robert Arnold, et al., *Alaska Native Land Claims* (Anchorage, Alaska: Alaska Native Foundation, 1976).

ANCSA on the North Slope led to the chartering of the Arctic Slope Regional Corporation which was formed out of the cloth of the ASNA. (The old ASNA board served as the new ASRC board of directors.) Operational by March 1972, ASRC received $500,000 from the federal treasury as its first payment of the approximately $48 million it will receive. The ASRC board aided in the chartering of corporations in each of the five original villages of the North Slope, and it established corporations in the "pioneer" villages Pt. Lay, Nuiqsut, and Atkasook. And the corporations began the elaborate business of selecting land, completing their selection of 5.6 million acres by December 1975.

Unlike most of the other Native regional corporations, the ASRC has directed its efforts toward investment and development of its home region.[14] Through its own operations and those of wholly owned subsidiaries, it has engaged in general contracting, catering, and heavy equipment operation; it bought the department store in Barrow and built a hotel/restaurant there. Village corporations in the three largest communities—Barrow, Pt. Hope, and Wainwright—have bought and managed village stores, supplied fuel to residents, and contracted on construction projects. Those in smaller villages have engaged in less investment activity.

In short, ANCSA on the North Slope led to the development of profit-making corporations which increased the capital supply and investment opportunities for Natives, provided careers of responsibility for them, and increased opportunities for Natives as shareholders to control their economic futures.

North Slope Borough

Ideas to incorporate a regional government of the North Slope peoples took form during the land claims struggle.[15] In the words of the ASNA president, the primary objective was to achieve the "maximum amount of self-determination for the people."[16] More specific goals included: the desire for an independent school system, both to eliminate the "BIA paternalism" of Native education and to provide secondary school education on the North Slope (not then available); the wish to determine locally the uses to which land would be put, preventing depredation of the North Slope; the desire for improved conditions of livelihood for Eskimos.

These goals conflicted with plans of oil companies operating on the Arctic Slope and the State of Alaska. The companies thought it inequitable that Prudhoe Bay should be included in the borough, and they objected that state interests would be infringed if a borough were formed. They raised procedural objections to the way

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[14] Arctic Slope Regional Corporation, *Annual Shareholders' Report*, 1975, p. 5.

[15] *Tundra Times*, February 28, 1969.

[16] State of Alaska, Governor's Office, Local Boundary Commission, "Hearings on the Proposal to Create a First Class North Slope Borough," Barrow, December 2 and 3, 1971, pp. 3-11.

in which borough proponents had interpreted statutory requirements for the incorporation of the borough. Substantively, they argued that a borough government was not needed to solve educational problems which could be handled in a service area. Their most telling objection was that while taxes on Prudhoe Bay property would contribute most of the borough revenue, companies would receive either no benefits or negative benefits (by which they meant a borough would be able to regulate companies through its land-use powers). In the words of an oil company lawyer who challenged the formation of the borough: "The kind of help we'd get might be more than we could stand."[17]

The State delayed holding hearings on the ASNA petition for borough incorporation. Then it supported three bills in the State Legislature which seemed directed against borough formation: one proposed to remove the power of authorizing boroughs from the Local Boundary Commission (LBC), an independent commission, placing it in the Legislature instead; a second would spread tax revenues from Prudhoe Bay throughout the areas of the state outside formal borough governments, reducing the amount available to the North Slope Natives; the third would deny the borough the power to tax oil or gas properties. And the State Attorney General, in his report to the Local Boundary Commission on the petition, questioned the qualifications of the North Slope Natives for self-government.[18]

After the Local Boundary Commission approved the petition, the North Slope Borough was incorporated by the state on July 1, 1972; however, oil company and state antipathy toward the borough continued (and in fact persists to the present). Seven oil companies and five industrial firms appealed the Local Boundary Commission's certification of borough incorporation. They raised additional procedural objections, arguing that Prudhoe Bay was included within the borough illegally: it was isolated from other populated areas in the borough, being more closely linked with cities outside (e.g., Fairbanks and Anchorage) than with Barrow; and it would provide 98.5 percent of the assessed valuation of the borough without receiving any services:

> What can the borough give the appellants in the way of protection, opportunity and benefits which bears any fiscal relation to the taxes to be paid by the appellants, which will support virtually all of the borough's functions?[19]

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[17]Local Boundary Commission, Anchorage, "Decisional Hearings," Tape 3, side 2.

[18]State of Alaska, "Report of the Attorney General to the Local Boundary Commission," on North Slope Borough Petition for Incorporation as a Borough of the First Class, February 1972, p. 3.

[19]Mobil Oil Corporation, et al., appellants, v. Local Boundary Commission of the State of Alaska, et al.., appellees, No. 1947, p. 34 (filed May 29, 1973).

This case was not decided until 18 months after the borough opened its doors; during the interim, no property taxes were paid the borough which hampered its operations and tied it to the interests of those who aided its establishment.

In 1973, the State Legislature, fearing that the borough would preempt the state's revenue authority by the taxation of Prudhoe Bay property, limited the amount of taxes it could collect from oil companies' actual operations to $1,000 per capita (later raised to $1,500) and denied the borough the power to tax oil and gas leases.

While the borough and the companies have reached agreements (particularly, an out-of-court settlement in 1974 whereby the companies paid $5 million to the borough in exchange for the latter's five-year suspension of sales and use taxes),[20] they have also battled in court over tax issues. And despite cooperation between the borough and the state, they have also fought in court over borough land selections, borough taxing, and regulatory authority. Thus, the borough's relations with a superior governmental unit and with private multi-national corporations have at best been guarded and at worst hostile, which contrasts with the ASRC pattern.

Inupiat Community of the Arctic Slope (ICAS)

The Inupiat Community of the Arctic Slope (a regional IRA corporation) formed ostensibly as an organization that would continue litigation for aboriginal land claims were Natives statewide unable to win a congressional settlement satisfactory to the North Slope Eskimos. In October 1971, another goal was added when the IRA Corporation entered a suit against the oil companies, asking for trespass damages as a result of oil company exploration on the North Slope and destruction of Native residences, fishing and hunting areas.[21] With no other active functions, however, the Inupiat Community was moribund until 1977. At this time, BIA officials in Fairbanks encouraged IRA corporation officers to complete Native enrollment and begin to contract for funds then available under Public Law 93-638 (the Indian Self-Determination Act of 1975). The IRA Corporation has now been reactivated and is currently contracting for social services on the North Slope. However, the limited funds available for distribution under this act, and the presence on the North Slope of two far more powerful and wealthier organizations, have made its present role insignificant.

In sum, in a brief 6 years after the formation of the ASNA, three Native regional organizations (and eight village corporations) were incorporated on the

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[20] See "Stipulation and Settlement Agreement" between the North Slope Borough and oil and gas leaseholders and property owners, August 27, 1974.

[21] The case, Inupiat Community of the Arctic Slope v. Atlantic Richfield Company, et al., is currently on appeal from a negative ruling in Federal district court.

North Slope—a virtual explosion of organization-building. All are active today, and each promises to be a significant element in the future of North Slope peoples. We now turn to the differences between the two major institutions, the North Slope Borough and Arctic Slope Regional Corporation.

BOROUGH AND CORPORATION: A PROFILE OF ADMINISTRATORS

How do the two organizations compare with respect to the recruitment of North Slope Natives for administrative roles, the managerial training they provide, and the development of local expertise to resolve social, economic, and political problems? Before we compare organizations, two points require explanation. First, in developing a profile of administrators, we are considering administrative structures primarily, paying less attention to political roles and structures. The borough is composed of an elected assembly and mayor, and an appointed administrative staff. The mayor and staff, particularly the major department heads and directors, compose the borough organization for the purposes of the following analysis. The ASRC is composed of a board of directors elected by shareholders, and appointed committees and staff. The executive and finance committee officers, appointed partially from within the ranks of directors, will be the unit of comparison.

Although it is perhaps obvious from the foregoing, it should be emphasized that the borough electorate contains whites resident on the North Slope, and borough administrators must be responsive to their interests to some extent. Prudhoe Bay industrial employees are counted as residents only to determine the population of the borough for tax purposes; but whites living in Native villages on the North Slope constitute 12 to 15 percent of the population of 3,650 and are borough residents with voting rights. Under the terms of ANCSA, shareholders of the ASRC must be at least one-fourth Native.

The second factor influencing the composition of administrative staffs is the limit of available managerial talent, a factor mentioned repeatedly in interviews conducted in Barrow, Fairbanks, and Pt. Hope from which the following observations are drawn.[22]

Considering first the ethnicity of administrators, we note that half of the top-ranking administrators of the borough (five) are non-Natives (lower-level

[22] Over forty leaders of North Slope public and private agencies were interviewed during field research between June 1977 and February 1978. The leaders interviewed were promised anonymity and are identified only by organization here. In the comparison drawn here, a subset of twenty official positions (ten each from the ASRC and borough) has been formed. Included in the subset are those administrative positions regarded as most influential following reputational methodology. For three positions in the ASRC, interviews were not conducted; however, partial data were collected from other sources. The number of positions selected is arbitrary and is done to facilitate basic analysis.

borough personnel are North Slope Natives uniformly). This contrasts with the ASRC in which only two of the most influential ten executive officers are whites, the remainder being Natives. Those comparing the two organizations frequently point to this distribution as an indicator of the ASRC's greater representation of Natives; but that organization under its by-laws can only select as directors those who are shareholders, limiting white participation to those appointed by the executive board.

In age and village of birth, there are only slight differences between administrators of the two organizations. But in education, occupation, and formative experiences, there are more significant differences. Borough administrators have a greater degree of educational experience, because all of the non-Natives holding borough positions are college-educated and two hold master's degrees. Comparing educational levels of Natives only, we find that those serving as ASRC officers are more likely to have taken college work. Of Natives in the borough administration, three were prominent leaders during the land claims movement. ASRC officers, however, include only one ex-land claims leader; among the rest, four were not in the region during most of the land claims period. Regarding occupations, borough administrators are much more likely to have held previous positions in the public sector. And among Native administrators, both borough and ASRC, a greater number had experience in the National Guard than did not.

Other factors—differences of personality, family linkages, and factional group membership—influence organizational behavior as well. Over the 6 years of operation of the two institutions, relations between the mayor of the borough and the executive vice-president of the corporation (its de facto head) have been strained. Second, the expanded kin network of North Slope Natives has worked to both separate and join the two organizations. Brothers of the two leading members of the Borough administration sit on the ASRC executive committee; and within each organization, distinct family groups have staked out positions, providing for some "specialization by family" within them. Factions also tend to link organizations. Thus, for the last two years, three ASRC officials have formed a voting bloc on the Borough Assembly, one of them serving as its presiding officer; a different bloc composed primarily of Borough administrators and politicians led a successful movement in 1977 to unseat the ASRC President and in 1978 spearheaded an unsuccessful shareholder's revolt against most of the ASRC executive committee, particularly the executive vice-president.

Of the above factors, those contributing most powerfully to the development of divergent organizational identities are the greater role of non-Natives in the borough administration, the borough's greater representation of leaders and goals of the land claim movement, and the formation of blocs within each representing

attempts to express the interests of the other.

The ASRC has developed what are regarded as superior training programs for its staff members. These began in 1972 when new officials (and village corporation officers) were sent to special training sessions on interpreting ANCSA, land selections, and accounting procedures. In recent years, outside training programs have been supplemented by a tuition grant program which has awarded over $250,000 in scholarships to shareholders who wish to enroll in schools outside the region or state.[23] The borough, on the other hand, is regarded as having been less successful in this respect. It has sent staff to training sessions in technical areas (assessing, for example) and subsidized a few staff members in longer educational programs. However, in seeking to make training available within the region, it first became embroiled in the politics of the statewide university system over the administration of the extension center in Barrow. Then, accounting irregularities were discovered in the operation of the private Inupiat University of the Arctic which the borough sponsored. Recently, the borough has signed contracts with the university to develop in-service training programs.

On-the-job training of an unstructured nature has perhaps been the most effective form of managerial education. According to one knowledgeable administrator, the ASRC has selected younger Natives and placed them in positions of responsibility. The corporation is willing to absorb losses if the subsidiaries run by the younger Natives are not immediately profitable. The ASRC also provides back-up support if the younger Natives are responsible for a corporation-wide function. The borough, on the other hand, has employed non-Natives to supervise line and some staff functions, expecting them to train Native replacements. Because of the crisis nature of borough government on the North Slope, this practice has resulted in neither satisfactory basic training nor in promotion of Natives to supervisory positions,[24] leading to some frustration within the junior managerial ranks.

Finally, we turn to differences in consultants retained by the two organizations. Consultants employed by the borough are more likely to be Democrats; those of the ASRC are more likely to be Republicans. The borough mayor is a life-long Democrat; he has been a Democratic state senator and a special assistant to a Democratic governor; it is not unnatural then, that he should prefer Democrats as consultants, especially on policy issues. The executive vice-president of the corporation served in a Republican state administration and brought to the corporation several officials who were Republicans.

Second, differences of function influence the expertise employed. The ASRC retains land, geological, and geophysical consultants who are as unnecessary to the

[23] Arctic Slope Regional Corporation, *Annual Shareholders' Report*, 1976, p. 7.

[24] Interviews with borough administrators, Barrow, December 15, 17, 1977.

borough as its planning and construction management consultants are to the Corporation. Because of problems arising from the interpretation of ANCSA, the ASRC retains national law firms as well as Alaska lawyers. The borough is involved in state law suits and hence hires Anchorage lawyers. The chief difference, however, is that the borough hires "political" consultants. The unstable political economy of the borough has made necessary the hiring of financial consultants who will arrange for the marketing of borough bonds and the design of its tax programs. The borough retains a lobbyist who defends borough interests in the state capital; and several policy advisors have been retained in areas of borough environmental and Inupiat foreign policy concerns.

Too, consultants are a political issue within the borough administration (and in a previous mayoral election campaign) partly because of the more sensitive areas in which consultants are employed. On the basis of interviews, there seems little doubt that consultants have had a much stronger hand in the formation of Borough policy.

There are then, emerging differences between these two Native organizations—in the kind of administrators they have recruited and in the way administrators have been trained and equipped to act.

POLICY CONFLICTS OF REGIONAL ORGANIZATIONS

Two major policy areas in which both borough and ASRC have been involved are resource development and the distribution of public benefits on the North Slope. Behavior of the two organizations in these policy areas enables us to determine the extent to which separate organizational perspectives are being developed. We consider as forms of evidence the goals of the organizations insofar as these can be detected, the activities of organizations (demonstrating conflict or cooperation), and finally the attitudes of leaders.

Energy Resource Development

The borough has never flatly opposed the development of energy resources in the Arctic. Instead, it proposes to:

1. Control the location and speed of resource development, reducing adverse impacts on Native life-style and subsistence pursuits; and limit the development of permanent white communities in the Arctic, restricting white settlements during energy resource exploration and development to enclaves such as that at Prudhoe Bay.
2. Increase benefits to Natives (via taxes on oil and gas property) which will increase social services available regionally and increase the number of jobs for Natives.

The ASRC, on the other hand, seeks to:

1. Increase the rate of resource development, although it is not insensitive to impacts on Native lifestyle and does not welcome the growth of permanent white settlements.
2. Participate in this exploration through joint venture agreements with oil companies.

There is, then, a marked difference in the degree of energy development sought by the two organizations and the amount of regulation intended, without there being a substantial difference in the benefits desired from resource exploitation.

In actual resource exploration and development on the North Slope, conflicts have developed in several areas. We consider below organizational activity respecting in-place developments (Prudhoe Bay), ongoing oil and gas exploration, and prospective developments (largely offshore). The posture of the ASRC vis-a-vis oil companies operating at Prudhoe Bay has been ambivalent. One of its subsidiaries contracted for pipe wrapping, another for industrial catering at Prudhoe Bay; but in 1977 it joined the state in a suit against high oil company tariffs, for these reduced payments made to ASRC under ANCSA. The borough, while slow to realize its potential for influencing production at Prudhoe Bay, has begun to employ its regulatory powers, particularly in the area of water and gravel management. In 1976, the borough asked state agencies to recognize its control over all water on the North Slope; and the borough has sought to establish a centralized solid waste, sewage, and water treatment facility at Prudhoe Bay which will provide control over industrial water use and discharges. It created a special service area for this facility, enabling it to charge users service fees.

Borough protests and rhetoric have made the state departments of Natural Resources and Fish and Game somewhat more sensitive and responsive to its needs as a regional government. In water and gravel use permitting, for example, the borough has gained recognition as a commenting agency on all company requests to the Alaska Division of Lands.

In ongoing exploration activities outside Prudhoe Bay, the borough and corporation have not always conflicted when opportunities for conflict were present. When the borough objected to seismic explorations planned by USGS in Harrison Bay—an objection which was heeded—the ASRC was silent. The borough administration initially objected to Union Oil's construction of an ice island off the Sag River for oil drilling, but most corporation officials thought this was the safest method available.[25] However, there have been occasional conflicts regarding

[25]Interviews with ASRC officials in Barrow, October 13, 1977 and December 16, 1977.

developments on ASRC lands.[26] As one state agency official remarked:

> Periodically, the ASRC-borough split surfaces . . . Well, I don't know if the official position of the ASRC is for a road from Prudhoe Bay to Barrow. From my observation, that's what they want. The borough doesn't. They say if the state is to encourage transportation, it should develop air strips first.[27]

In another case, the ASRC in a joint venture agreement with Chevron, planned to drill for oil within the town boundaries of Pt. Hope. The village corporation objected strongly to this plan, primarily because it was not informed of it in advance;[28] borough administrators also objected to the plan, but they did not intervene. Then, in a contrasting case, the village of Kaktovik was encouraged by the ASRC to begin negotiations with Arctic Gas for participation in gas line development. ASRC did not endorse the Arctic proposal, but it supported the village informally. The village corporation attempted (without success) to persuade the mayor to drop his support for the El Paso route. The ASRC's construction company, Alaska General, is currently engaged in other joint ventures with Husky Oil in the exploration for oil on ASRC lands. Limiting conflict here until recently was the borough administration's unawareness of ASRC activities. Potential for conflict is now greater, for the borough has developed traditional land use plans which give it the basis to object to drilling near archaeological sites or fish and game reserves. And the borough is actively participating in the land use study authorized by Sec. 105(c) of the National Petroleum Reserve Act of 1976, identifying stipulations and constraints necessary across the reserve, which may place it into conflict with the corporation.

A major area for prospective development is in off-shore exploration for oil and gas. The borough mayor articulated the borough's opposition to OCS development in his congressional campaign against Republican incumbent Don Young in 1976. The ASRC supported Young who endorsed OCS development. But the ASRC has not participated as an organization in the development of policy in this area, preferring to leave this area to the management of the borough; and it has not engaged actively in the various study teams formed to arrange the state-federal sale of offshore leases in the Beaufort Sea, now scheduled for 1979.

Sharper borough-ASRC differences appear when comparing the attitudes of respective leaders of the organizations. Most of the borough administrators

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[26]The Corporation has executed agreements with major oil companies that enable the companies to conduct surface exploratory work on lands subject to selection by ASRC and grant these companies contractual options to acquire oil and gas leases on a significant portion of such lands.

[27]Interview with official of Alaska Division of Lands, Fairbanks, February 10, 1978.

[28]Interviews with official of the Tigara (Pt. Hope) village corporation, Pt. Hope, January 4, 5, 1978.

interviewed were opposed to rapid development of energy resources, and they wanted to monitor these developments carefully in order to protect Native values in the land. A few borough administrators even sought to curtail development entirely, when the benefits did not appear commensurate with risks involved. The ASRC officials interviewed, however, expressed either inevitability about energy development or a desire to expedite the exploitation of North Slope resources, paying less attention to environmental effects. As one corporation leader remarked: "ASRC is going to be the major future oil developer on the North Slope."[29]

Much of the evidence regarding resource exploration and development is mixed, but we can note these patterns: (1) an attempt has been made to avoid conflict by one organization's avoidance of the other's activity when organizational interests are not engaged—a pattern of mutual avoidance; (2) actual conflicts have been relatively mild compared to tension between ASRC and some village corporations (i.e., Tigara Corporation of Pt. Hope) on the one hand and borough and major oil companies on the other; and (3) the amount of rhetoric and attitudinal hostility points to a greater degree of future conflict. For example, the mayor of the borough has remarked:

> This tendency (of regional corporations to collaborate with oil companies) may extend even to the point that our regional Native corporations will oppose the development of home-rule government in rural Alaska . . . I wonder if we could have organized the North Slope Borough today against the opposition of my own ASRC . . . I wonder about the direction that the politics of oil is taking among our people in the Arctic.[30]

Distribution of Public Goods

In this second area, somewhat less conflict has developed between the two institutions. The borough has committed itself to a very ambitious plan of regional social development. It seeks to: (1) develop modern social services—schools, houses, sanitary facilities, water, police, fire, transportation—bringing these up to the level of community services in Alaska's cities and, in the words of the mayor, even "Houston and Dallas," and (2) tax oil companies to pay for social services and capital projects during the productive life of the oil province at Prudhoe Bay. The regional corporation's goals are to: (1) seek a more moderate rate of growth in capital improvements projects, for it fears untoward effects of inflation which will affect its own programs, and to (2) avoid taxation of the corporation when its lands become taxable in December 1991.

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[29]Interview with ASRC official, Barrow, December 16, 1977.

[30]Eben Hopson, "Warning to the People of the Canadian Arctic," (Testimony before the 'Burger Commission'—a Canadian Royal Commission headed by Supreme Court Jusitice Thomas Burger, on the Mackenzie Valley Pipeline Inquiry), September 21, 1976 (unpublished), p. 18.

Initially, the borough drafted eighty-one individual CIP projects for the North Slope, including the construction of public housing and new schools in all villages, development of sanitary water and waste removal systems, complete electrification and supply of stable generators to the villages, construction of roads and airports. After the Borough's bonding capability was challenged in 1976 resulting in a CIP shutdown, the CIP was amended to make immediate provisions for life support systems in each of the eight villages. To the present, the borough has authorized $150 million in bonds to cover these projects, the largest amount of bonded indebtedness of any regional government in the state of Alaska.[31] The ASRC has taken no formal position on the various projects; however, ASRC officials sitting on the borough assembly have objected to the size of the CIP, its scheduling, and the overload produced in villages where two or three projects run simultaneously.

The mechanisms for the operation of the borough CIP have introduced some borough-ASRC disagreements. The borough has used the forced account system (construction management type) of public projects development. Under this system, it has contracted with outside construction management firms which have then hired local foremen and laborers. Such a system has permitted the hiring of local workers without advertising positions statewide, facilitating Native-hire. The operation of this management system (in particular, the work of designers, architects, and construction management firms in the construction of village schools and a vocational educational facility in Barrow) have occasioned criticism by the ASRC assembly policy bloc. However, the borough has developed linkages with the ASRC Housing Authority in its housing program.[32] A cooperative arrangement has enabled the borough to bond for housing projects, sell the houses it has built to the ASRC Housing Authority, and use the capital to finance debt service, thus expanding the scale of the CIP.

In this area, attitudes of administrators of the two institutions diverge on the efficiency of borough attempts to expand benefits and on the equity of distribution of public goods. Borough personnel are uniformly favorable toward CIP projects, believing that all residents of the North Slope benefit from them and attributing waste, inefficiency, and the rather slow progress on some projects to the problems and expense of construction in the Arctic. ASRC officers disagree, attributing inefficiency to the borough administration. As one ASRC leader remarked:

> Government shouldn't compete with free enterprise. The borough should contract services. If it did this, when the contract was completed, the project

[31] North Slope Borough, *Annual Financial Report*, years ended June 30, 1977 and 1976, p. 55.

[32] As a Native corporation, the ASRC is restricted from allocating more than 5 percent of its funds to the programs of municipalities or nonprofit corporations; however, it may buy public housing constructed by the borough and operate it for the borough under contract.

would self-destruct, and there would be no heavy overhead of civil servants. . . . There are too many people in the borough (administration) considering the small population size.[33]

CONCLUSION

It is now opportune to consider the effects of the operation of the two regional organizations on self-determination for North Slope Natives, prospects for institutionalization of distinct organizational perspectives, and the relevance of this case for Native programs elsewhere.

Before 1971, external governments—federal and state—made decisions for the Inupiat of the North Slope. The chartering of the corporation and the incorporating of the borough have now enhanced significantly Native control. Major development decisions—for example, where to develop the gas line route, whether to open the North Slope utility corridor for public use—still are beyond the authority of Native administrators and politicians, but Native organizations are now given the chance to influence these decisions, and the institutions themselves, as we have noted, are able to engage in planning activities designed to minimize adverse impacts on Native subsistence and life-styles. Perhaps more important, the institutions are in place and have gained the attention of superior governments and major multi-national corporations. Most state and federal programs are administered through the borough; oil company development increasingly proceeds via the ASRC.

This makes both organizations powerful brokers, but in addition to ameliorating external pressures, both organizations possess sufficient resources to initiate changes independently. In this respect, both borough and ASRC have provided employment opportunities which have improved materially the conditions of most Native families on the North Slope. The borough government employs 180 individuals (about 6 percent of the North Slope population) full time; CIP projects have doubled this regional government work force. The regional corporation employs a force half this size in its central offices and through its subsidiaries. At one time or another, most adults have worked for one or the other institution. The basis of self-determination of Alaska Natives has been economic, and in the North Slope the existence of two major institutions has definitely accelerated economic independence.

Politically, the two organizations have given North Slope Natives a voice in state and federal policies which they formerly lacked. The borough has entered into an ambitious foreign relations campaign supported by the regional corporation. In June 1977, the borough sponsored the Inuit Circumpolar Conference which focused

[33]Interview with former ASRC official, Barrow, October 14, 1977.

on common problems of the circumpolar Eskimos and began to set up mechanisms for the monitoring and Eskimo management of Arctic resources. These activities are powerful signs of growing Native self-determination, enhancing ethnic identity.

Over the past six years of operation, both organizations have become adapted to their environment and have passed crucial tests of capability. As to the future, most administrators seem optimistic. Under ANCSA, shareholders in the regional corporation may not alienate their shares until 1991, by which time it is likely—either through its own success or through the shared-wealth provisions of ANCSA (Sec. 7 (i))—that ASRC will remain a profitable corporation. The borough's viability for this period is guaranteed by the Prudhoe Bay oil province, expected to produce for at least twenty-five years, and the prospect of new oil discoveries which the borough can tax. It seems not unlikely that the ASRC will discover oil in one of its drilling operations, thus placing it in a major taxpayer role vis-a-vis the borough and serving to separate further the goals and activities of the institutions.

There is great significance to the institutionalization of two different perspectives on the North Slope—one emphasizing economic development, the other environmental conservation. Traditional Eskimo organizations are characterized in the anthropological literature as loosely-structured, even atomistic; with only traditional administration organizations, the North Slope could easily have become another oil colony, sucked dry of its resources. To the extent that these two modern institutions can continue to support and enhance separate interests, North Slope Natives have alternate development possibilities.

Compared to other Native communities in the United States, the North Slope seems the exceptional and perhaps limiting case. We have not discussed the IRA corporation as an active agent of Eskimo administration, because the programs it is able to offer do not compare with those available through the borough or regional corporation. There is, however, some prospect for expanded future activity of the IRA corporation. It may provide a vehicle for restricted deed ownership (non-taxable status) of corporation land after the expiration of the 20-year limit under ANCSA; it may provide a means for Native control of lands used in subsistence hunting.

But presently, the IRA corporation and the terms of Public Law 93-638 offer little advantage. Mayor Hopson puts the reasons well when he remarks:

> The North Slope Borough opposed S-2046. . . . Like HR 39, S-2046, which would designate regional non-profit Native Associations to operate as tribal regional governments, must be seen as a setback into territorial times. I fear that this legislation would hinder the development of strong local government in rural Alaska. *No real local government is possible if it is totally dependent on federal government contracts and funding.* Reliable local government, the kind strong enough to depend upon to defend

subsistence hunting rights, must be chartered by the State of Alaska and is now possible. *Strong local government gets its strength from its legal ability to cooperate with state and federal government on its own terms* (emphasis added).[34]

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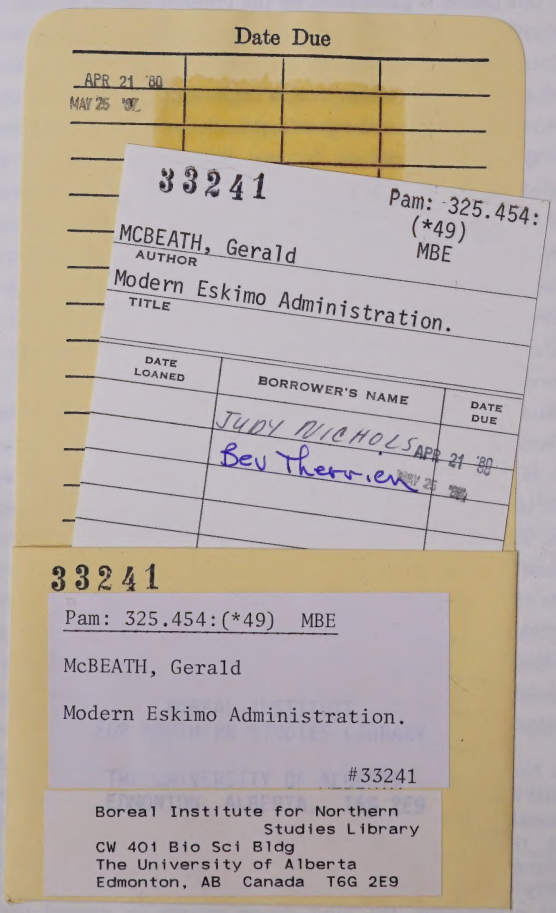
[34]Eben Hopson, address on government relations to the 1977 AFN Convention, Anchorage, Alaska (November 11, 1977), p. 5.



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